



City of Loma Linda Official Report

Karen Gaio Hansberger, Mayor
Floyd Petersen, Mayor pro tempore
Robert Christman, Councilmember
Stan Brauer, Councilmember
Robert Ziprick, Councilmember

COUNCIL AGENDA: November 9, 2004
TO: City Council
VIA: Dennis R. Halloway, City Manager
FROM: Pamela Byrnes-O'Camb, City Clerk
SUBJECT: Minutes of October 26, 2004

RECOMMENDATION

It is recommended that the City Council approve the Minutes of October 26, 2004.

City of Loma Linda

City Council Minutes

Regular Meeting of October 26, 2004

A regular meeting of the City Council was called to order by Mayor Hansberger at 7:07 p.m., Tuesday, October 26, 2004, in the Council Chamber, 25541 Barton Road, Loma Linda, California.

Councilmen Present:	Mayor Karen Gaio Hansberger Mayor pro tempore Petersen Robert H. Christman Stan Brauer Robert Ziprick
Councilman Absent:	None
Others Present:	City Manager Dennis Holloway City Attorney Richard E. Holdaway

Mayor pro tempore Petersen led the invocation and Pledge of Allegiance. No items were added or deleted. No conflicts of interest were noted.

Oral Reports/Public Participation

Dick Wiley, 10848 Pepper Way, addressed the City Council relating to the water runoff from the Ryland Homes Project during last week's storm, and asked that precautions be taken to alleviate the runoff as another storm was predicted. His item was referred to Public Works.

Scheduled and Related Items

CC-2004-130 – Report pertaining to expenses related to Annexation No. 56 to Landscape Maintenance District No. 1 (Parkside Development)

Associate Engineer Peterson presented a chronology of events spanning the period of time from approval of Tentative Tract Map 15917 on September 8, 1999 through approval of the Landscape Maintenance District Annual Assessments in July 2004. He explained that:

- 1) In 1999 construction began on 58 homes.
- 2) During the time the Developer constructed and maintained the improvements, the annexation was allowed to operate at a self-maintenance status, allowing for the collection of administrative costs only.
- 3) In October 2002, the project was nearing completion, and the contractor was noticed to maintain for a period of one year.
- 4) There was contention between the Developer and the City.
- 5) During this period, maintenance was lacking and the area became overgrown.
- 6) In November 2002, the City began maintaining the landscaping.
- 7) No funds had been set aside or collected for the maintenance.
- 8) The tract was maintained utilizing City crews and weekend work release manpower.
- 9) Only an administrative charge of \$32 for professional services associated with coordination of the District, including response to public concerns and education, procedures associated with the levy and collection of assessment and cost for the County to collect the assessment, was assessed during this period.
- 10) The actual cost for 1999 was \$16,988 for maintenance; \$2,589 for utilities; \$90 for repairs; \$1,553 for administration and \$125 for professional services, for a total of \$21,345.
- 11) The CPI adjustment began in fiscal year 2000-2001.
- 12) In January 2003, the City contracted for the maintenance service.
- 13) In June 2004, the City Council ordered preparation of the annual Engineer's Report for the entire District for fiscal year 2004-2005 and approved the assessments in July 2004.
- 14) The 2004-2005 assessments for the subject tract was \$24,498.62 to be spread over the 58 homes.
- 15) Fiscal year 2004-2005 was the first year the assessment was submitted to the County for collection as part of the annual tax bill; previously, the landscaped areas were maintained by the General Fund utilizing City crews and weekend work release manpower.

Mr. Peterson then responded to questions.

Mark Gardner of Gardner Construction, 555 Cajon, Suite G, Redlands, contractor for the subject tract, addressed the City Council, stating:

- 1) Gardner Bros. Construction completed its obligation for maintenance for the LMD on this tract, as established on the approved plans as a 90-day period.
- 2) Several inspections occurred; punch lists were generated; and tasks were completed prior to acceptance by the City.
- 3) The last 10 homes in the project were not allowed to close escrow until the LMD and ball fields were completed and accepted.
- 4) Water and electric meters were turned over to the City, and the City began maintenance of the ball fields, but not the parks and LMD.
- 5) The LMD was to be annexed into an existing LMD within the City.
- 6) The pocket parks are public parks that anyone in the City can use.
- 7) The Public Works Department set the \$34 per year fee for each home as their share of the LMD maintenance.
- 9) It is unfair to saddle the homeowners within Tract 15917 with the entire maintenance of the public parks.
- 10) The cost should be spread equally among all property owners within the entire LMD.
- 11) Tract 15917 was an affordable housing project where 35 of the 58 homes were for the very low, low, and moderate-income families for which the City received long-term covenants to meet state requirements for affordable housing.
- 12) This project was intentionally designed without a homeowners association because the monthly fee would have been added to the buyer's monthly debt, which would have made it harder for the families to qualify for these homes.
- 13) It was unfair to raise the fee in one year by 1200 percent.
- 14) Most of the families cannot afford an additional \$35 a month.
- 14) Even though the relationship between Gardner Bros. and the City has not been amicable, the homeowners need to be treated fairly.

Discussion ensued between Council Members and Mr. Gardner. Mr. Gardner stated that the developer is required to disclose to the homeowner the amount of the assessments; the document received from the City stated the assessment would be \$34, but it was not identified as only an administrative fee. He stated that it is still the City's contention that the improvements were not accepted, even though a letter from Community Development Director Woldruff of May 6 indicated that the last 10 units "... would not be given occupancy permits prior to completion and acceptance of all public improvements."

Mr. Peterson, in response to questions from the City Council, showed a copy of the Engineer's Report for Annexation No. 56 to LMD from fiscal year 1999-2000, showing the annual assessment per parcel was \$368.

The City Attorney responded to questions pertaining to the initiation of the annexation to the LMD, stating that the developer, as landowner, signed the documents relating to the annexation.

Councilman Ziprick asked Mr. Gardner to produce the document that stated the annual assessment would be \$34 per dwelling unit. Mr. Gardner stated that the amount was shown on the property tax bill. Councilman Ziprick asked that Mr. Gardner be given an opportunity to respond in writing and provide support documents for the statements he made this evening.

Frank McCormick, 25454 Sonora Loop presented a list of general questions pertaining to the development and the LMD; Todd Visintainer, 25396 Durango Loop, who distributed pictures of the current landscaping; Gio Chavez, 25400 Durango Loop; Julie Tay, 10922 Cabrillo Loop; Monica Macatubal and Chris Macatubal, 25414 Durango Loop spoke.

A summary of their comments is as follows:

- 1) The back alleyways are not consistently maintained.
- 2) When owners first moved into their homes, the landscaping was very well kept.
- 3) After the first year, the appearance of the landscaping declined.
- 4) The Title Report indicated that the developer would cover the cost of landscape maintenance for one year, after which time the cost would be borne by the homeowners.
- 5) The first year, the tax bill showed \$34 for LMD, as did the second year; therefore, it was assumed that \$34 was the maintenance fee.
- 6) If the property owners had been notified in August of the LMD cost, most would have been able to adjust budgets to accommodate the payment.
- 7) There are 16 dead or dying trees and the sage is overgrown.
- 8) Proposition 218 relates to fee increases.

- 9) The alleyways are not landscaped; there are wood chips.
- 10) Could the alleyways be excluded from the landscape maintenance fee calculation?
- 11) If the property owners formed a homeowners association, could the property be gated?
- 12) The houses can't be sold at the appraisal price, but must be sold at a price approved by the

Agency.

Mayor Hansberger provided guidance as to the functions of various departments as well as the process for establishing assessments, noting that Public Works is to be contacted regarding landscape maintenance, broken sprinklers, etc; when the developer, agreed to restrictions on the property, then those restrictions were transferred to the new property owner; the first year was to be paid by the developer; the City absorbed the cost for the second year; this year is the first year the actual maintenance cost has been reflected on the tax bill. She also suggested that representatives of the owners meet with representatives of the Public Works Department to review concerns regarding the landscaping in order to clarify the needs and resolve the issues. If the owners desired to take control of the maintenance, a request would be submitted to the City for approval and if maintained in an appropriate manner, self-maintenance could continue; however, if the landscaping deteriorated, the City would take over the maintenance and the owners would be assessed the maintenance cost. If self-maintained, the owners would still participate in the annual cost of the Engineer's Report and administration.

Councilman Christman commented that some developments, even though they are part of the LMD, choose to maintain their own landscaping, and that may be a consideration to be undertaken in the future for this development.

City Attorney Holdaway clarified some of the issues, stating that this LMD was put into place at the time when the developer owned all the land. The owner of the entire project agreed to this District and agreed to the method under the law by which the fees would later be determined by the Engineer's Report. The original developer, the owner of all the property, started that process. The process was not completed until currently, when now for the first time, the whole cost is being assessed. The developer established the process, working with the City, as an alternative to a homeowners association, which would probably be more expensive.

Councilman Ziprick added that the Redevelopment Agency assisted 35 families with sizable contributions toward the purchase of their homes, which brought the price down so those purchasing could actually afford the homes. Those homes carry an affordability covenant to ensure that in case of sale, they remain affordable for another income-qualified buyer to purchase.

Mayor Hansberger stated that when the response from Mr. Gardner was received, the item would be agendaized.

CC-2004-131

CRA-2004-056 – Joint Public Hearing of the City Council and Redevelopment Agency pertaining to the sale of property known as 25546 Portola Loop

- a. Council Bill #R-2004-49 – Authorizing a Housing Disposition Agreement between Nestor McFarlane and the Agency
- b. CRA Bill #R-2004-18 – Approving a Housing Disposition Agreement between Nestor McFarlane and the Agency

The public hearing was opened, and Mayor Hansberger chaired the item. The Secretary presented the report into evidence, stating that the subject house was one of 35 houses in the Parkside Homes Development on which an affordability covenant was recorded. The owner relocated and the Agency purchased the property to protect the covenant. An income-qualified family obtained financing and signed the Agreement. She referred to the Reuse Analysis, noting that Redevelopment Law required certain findings to be made prior to the Agency entering into the Agreement. All findings were substantiated. She then recommended that the Agency Board and City Council adopt the proposed resolutions and responded to questions.

Charles Meir, 10958 Cabrillo Loop stated that he purchased one of the homes that carried a covenant. Because he cannot sell it at market rate due to the affordable sales price restriction, it was his opinion that he was prevented from moving to a larger home.

No other public testimony was offered, and the public hearing was closed.

Motion by Petersen, seconded by Brauer and unanimously carried to adopt Council Bill #R-2004-49.

Resolution No. 2357

A Resolution of the City Council of the City of Loma Linda consenting to the approval by the Loma Linda Redevelopment Agency approving an Agreement for the disposition of property for affordable housing use with Nestor McFarlane (25547 Portola Loop)

Motion by Petersen, seconded by Ziprick and unanimously carried to adopt CRA Bill #R-2004-18.

Resolution No. 230

A Resolution of the Loma Linda Redevelopment Agency approving an Agreement for the disposition of property for affordable housing use with Nestor McFarlane (25546 Portola Loop)

The Redevelopment Agency Board recessed at 8:37 p.m. to allow completion of the City Council Agenda.

CC-2004-132 – Public Hearing – Development Impact Fees (Continued from October 12)

- a. Approving the Master Facilities Plan (This is not a public hearing, but related to Item b)
- b. Council Bill #R-2004-40 – Establishing Development Impact Fees and repealing Resolutions 2301, 1842 and 1716

The public hearing was opened. City Manager Halloway introduced the item, stating that several meetings had been held with representatives of the BIA and a subcommittee of the City Council. He then presented the City's approach, noting that the fees were considered as minimum and maximum fees. Because there was consternation between the builders and the City, he reduced the minimum fee by an amount that eliminated the fee for open space and the fee for the recycling water plant. Subsequent to the preparation of the report, it was learned that the City of San Bernardino would be constructing the plant with the City being responsible for only the lines to Loma Linda. The offer to the BIA for a single-family residence was \$17,600. Subsequent to the meetings, Council Member Ziprick requested that there be some fee for open space; hence, 15 percent of the open space charge was added back in, so the final total proposed for a single-family residence was \$18,000. The other fees would be commensurate.

Scott Thorpe of Revenue & Cost Specialists, LLC addressed the minimum/maximum approach, clarifying that the maximum would be the highest fee supportable by law. He elaborated that Loma Linda was unique in that the community was mostly developed with most of the infrastructure in place. As an example, 96 percent of the water distribution system needed for the City at build out was in place; however only 65 percent of the users at build out existed today. All six of the pressures reducing valves that the City would need at build out were in place. Likewise, all eight of the booster pumps required at build out were in place; 10 of the 11 water wells required at build out were also in place. There was a tremendous amount of existing capacity not only in the water system, but the sewer and storm drain systems as well. The fire system was where it should be, 60 to 70 percent of build out.

He went on to explain that the maximum fee included recovery for existing capacity because future residents would benefit from the systems that were in place today. The City's transportation system, the arterials and collectors were 96 percent completed.

Other than California Street, there was no more room to build additional lanes of arterials and collectors, although there were some improvements yet to accomplish in the entire circulation system. His report looked at the system as an entire system and all the projects and components in it: the street lengths, the traffic signals, and bridges. At the high end, the fee included some recovery of the existing capacity. As a result, the fees could be used to finish out the system. So, in effect, the development community is asked to contribute a share of the entire system proportional to their demand. The development community, however, suggested payment for just a portion of those specific projects.

The maximum fee would build all the projects needed through build out and recover additional revenue for excess capacity. The minimal figure was the lowest amount that could be collected to finish out each of those systems within the proportional definitions of "use." The lower figure referred to by the City Manager was that marginal need figure, less open space. In other words, projects could be finished in the system, but there would be no additional revenue. The City had 400 acres of open space at the present time. If the fees were adopted at the highest amount, the City would be able to purchase approximately 600 acres. There was no question that the circulation system and the water system need to be completed or

that the City desired parks at a rate of three acres per 1,000. In his opinion, the minimal figure suggested was a generous offer. The open space figure may need to be reviewed, based upon the desires of the City.

He then responded to questions, stating that the fees also took into consideration current replacement value and a fair share or reasonable proportional share contribution. Projects that would be built at some point in the future were valued in the report at current dollars. Measure I Projects were also taken into consideration, as the City is required to contribute a portion toward those projects.

Emily Hemphill, 777 E. Tahquitz, #328, Palm Springs, representing the Spanos Company provided the City Council written comments at the last meeting and indicated she would rely on the BIA to provide comments.

Frank Williams, 8711 Monroe Court, Suite B, Rancho Cucamonga, Executive Officer of the BIA, thanked the City Council for their indulgence in addressing the issues, particularly Councilmen Brauer and Christman as members of the subcommittee who met with the BIA.

Mr. Williams stated that the purpose of the proposed extension of Measure I was to obtain funding for interchanges, major arterials, railroad grades and technology. The passage of Measure I was of utmost importance to not only the cities, but the business community and building industry as well. Measure I was not a new tax, but an extension of an existing tax, which over a 30-year period would raise about \$5 billion to improve the transportation system within San Bernardino County.

During the meetings, the BIA was asked to submit suggestions for what they considered to be fair fees. He indicated that there was still a question about the calculation for debt. He then entered into the record the fees proposed by BIA as well as the following: Montgomery Watson Report; Draft General Plan; Taussig Proposed Revised Fees Exhibit "A"; BIA September 24, 2004 letter; BIA October 10, 2004 letter; Taussig comments on Development Impact Fee Calculation and Nexus Report; BIA Residential Development Fee Survey February 2002; A Practitioner's Guide to Development Impact Fees; San Luis Obispo Fee Study Water and Waste Water of March 2002; Live Oak Fee Study; and County of Riverside June 2004 Study. He asked that the BIA be included in the discussions as the City Council debated the issues.

John Snell, American Pacific Homes, was been involved in reviewing the proposed fees and stated that he shared the concerns of the BIA representative.

Mayor Hansberger stated that there were a number of fees that were not disputed, such as the fire, storm drain, library, public meeting facilities, parks and open space; that the goal of the City Council was to arrive at fees that were fair to the citizens and which would provide for adequate infrastructure. The issue was not the methodology, but rather a fair number.

Councilman Ziprick clarified that the report referred to parks and open space; therefore, the park fee could be used for open space or parks.

No other public testimony was offered and the public hearing was closed. Extensive discussion ensued relating to the maximum and minimal fees proposed, and number of units anticipated for build out.

Motion by Brauer, seconded by Petersen to adopt the fees as listed in the agenda by the consultant with the modification recommended by the City Manager relating to wastewater and open space fees.

Councilman Christman asked that a correlation between the water and sewer study that was done by Montgomery Watson and the fees proposed be provided. Mr. Thorpe responded that when he conducted the study, a copy of the Montgomery Watson Master Plan was utilized in addition to consulting with the Director of Public Works as to what, if any changes had occurred since the Montgomery Watson Report was completed. Projects were added to the list and some projects came from the Montgomery Watson Report; then a distribution was made of water demand based upon statistics obtained from the Finance Department on water use. An issue since the Montgomery Watson Report was the greater use of recycled water.

Councilman Christman acknowledged that the circulation fee was very difficult to determine because of the unknowns related to the interchange modifications as well as the Evans Street Project; therefore, he supported the City's position of \$3,308 for a circulation fee. Relating to the water and sewer systems, he felt there was no need to modify the fees recommended in the Montgomery Watson Report. Director of

Public Works stated that the arsenic treatment facility and the perchlorate treatment facility were added subsequent to the Montgomery Watson Report.

Discussion ensued relating to the general government and parks and open space fees; relation of park space to population; combining parks and open space fees and increasing park space to five acres per 1000 population.

Motion by Brauer to amend the previous motion to increase the park fees to the amount listed in the report.

City Attorney Holdaway clarified that the original consultant's proposal was \$8,003 for parks and open space. The amendment would actually reduce the fee to \$7,482. He suggested that the full amount of the park fee recommended by the consultant be considered and that the open space fee be reduced to \$2,134, the difference between the \$7,482 and \$5,348.

Discussion ensued concerning parkland, open space, trails, and possible acquisition of area for such purposes in the South Hills.

In response to questions, David Taussig of David Taussig and Associates, consultant to the BIA stated that he agreed with the City's consultant on the assumptions made, with the exceptions of the Evans Street freeway access and street, the Anderson Street off ramp, and the Mt. View Avenue/I-10 Interchange. In his opinion, the report stated that the allocation to the City, the City's fair share was to be allocated 100 percent to new development. If there was any type of existing deficiency, repair of that deficiency was the burden of the existing community; however, any improvement beyond the repair to the extent that it benefitted new development, new development should pay for. His review showed that 35 percent of the trip miles to be generated at build out of the City would be generated by new development, with 65 percent being generated by existing development. He then stated that new development, therefore, should pay for 35 percent of the City's share of the cost of the interchanges rather than 100 percent, which was a difference of approximately \$950. The rest of the fees were acceptable.

Mr. Thorpe responded that the three intersections were part of the City's entire circulation system consisting of freeway access and egress ramps, arterial and collector lane miles, traffic signals and bridges. The fair share of the entire system included the three interchanges. New development would be responsible for 35 percent of the entire system at build out; therefore, the circulation fee would be \$2,476 for a single-family home.

Mr. Taussig countered that the proposed fee schedule required new development to pay for the three interchanges at a rate of 100 percent.

City Attorney Holdaway summarized AB 1600 as a law that required a reasonable standard or basis for the numbers recommended, but did not require strict scrutiny regarding mathematical certainty. The maximum fee was not required to be charged; however, the reasonable basis the consultant established may not be exceeded. The Code provided that there must be a reasonable relationship between the fees charged and the representative proportionate share of the cost of government services, infrastructure, and capital improvements made necessary by the development.

He elaborated that the City's consultant provided a methodology that took into account the fact that future development would benefit from existing infrastructure to some greater or lesser extent. As an example, if a water tank was built that had capacity to serve the entire city, future homeowners would benefit from that facility to the same extent as existing homeowners. That facility would be necessary to the new homes, just as it was necessary to existing homes because without that facility, those homes would not have water service. The same argument could be made for streets and other improvements for circulation purposes. They are necessary for the new homes in order for them to be part of the community.

The City's consultant used a method he was comfortable with to determine a reasonable "buy-in" or proportionate share for those existing facilities. In the meeting with the BIA, there was discussion as to whether or not that methodology was appropriate, or whether there might be a different methodology for approaching or calculating that "buy-in" feature of the fees that were being proposed. That equity or buy-in contribution was not required to be included; but if chosen, the methodology proposed was one method while other methods may also be utilized.

The BIA did not appear to dispute the concept that new homes benefiting from existing infrastructure may be required to contribute toward the cost that was borne prior to their construction. Under the City consultant's methodology, a proportionate share or contribution was requested. When those fees are paid, they may be used to complete the infrastructure and improvements that will benefit the whole community. His methodology did not say, "We need these things; therefore, you must pay for them entirely." Rather, his approach was to look at the overall infrastructure and facilities that benefit the entire community as well as new development.

If there is a reasonable basis, a Court would defer to the discretion of the Council, unless the Court makes a finding that the decision was arbitrary or capricious without any support in the record for the decision of the Council.

In response to questions, Mr. Holdaway stated that the debt payment on the Civic Center was a cost borne by the City to create a certain facility for the benefit of the entire community, including new development. Philosophically and legally speaking, if the Council took a position that new homes should bear some proportionate share of the cost of a certain improvement that is financed, the cost of that financing is a component of that calculation.

Councilman Ziprick suggested that each fee be discussed. Mayor Hansberger commented that some fees were not disputed; water issues arose subsequent to the Montgomery Watson Report, so to use that report exclusively would not serve to meet the needs relating to arsenic and perchlorate, as an example. It was her opinion, therefore, that the water fee should be increased, but not necessarily the amount recommended by the City's consultant. Regarding the circulation fee, an equitable fee for the building industry may be \$2,500, an amount between \$2,000 and \$3,000. In her opinion, the library fee was too low, as that was the one fee that would be materially affected by the increase in population. The current library must be expanded as it barely meets the capacity of current residents. Application for a state grant has been made; however, if funding was not received to expand the library, then the library fee needed to be addressed at some point in the future.

At the request of the City Attorney, the Clerk restated the motion by Brauer, seconded by Petersen to adopt the fees as listed in the agenda packet with modification to the wastewater and open space fees as recommended by the City Manager. She stated that Councilman Brauer then amended his motion to modify the fees relating to open space, however, the amendment was not seconded.

Mayor pro tempore Petersen clarified that in order to calculate the circulation fee, the current circulation system as a whole was considered, the cost of interchanges and improvements needed to complete the system were added, and a replacement cost value was established for the total system at today's dollar. New development would be charged 35 percent of the total system required at General Plan build out.

Mr. Taussig countered that the means by which the existing streets were paid for could have been federal and/or state funds; undeveloped property paid taxes, as did developed property. When new development occurred, taxes would continue to be paid at a higher value level. Taxes were being paid on undeveloped property without having use of the streets and infrastructure.

Mr. Thorpe responded that moneys allocated to cities were based on population; therefore revenue from vacant land was minimal and was used for operational costs such as police, fire, and long-range planning, such as the General Plan, which is a plan to address vacant land.

Mayor Hansberger then called for a vote. The motion **failed with Hansberger, Petersen, Christman and Ziprick opposing.**

Motion by Ziprick, seconded by Christman and carried that the Development Impact Fees be approved as follows: Fire, \$570; Circulation, \$2,800; Storm Drain, \$702; Water, \$3,500; Wastewater, \$539; General Government, \$2,150; Library, \$260; Public Meeting Facilities, \$343; Park/Open Space/Trails, \$5,354, for a total of \$16,218 for single-family residences; fees for other dwelling types be calculated proportionately. Brauer opposed.

Resolution No. 2358

A Resolution of the City Council of the City of Loma Linda, California, establishing a schedule of Development Impact Fees to finance capital facilities necessitated by new development and repealing Resolutions Numbered 2301, 1842, and 1716

Councilman Christman commented that the fees were mid-way between the recommendations of both consultants. Mr. Williams thanked the City Council and stated that the statutes allowed payment at certificate of occupancy.

Mayor Hansberger then asked for a motion approving the Master Facilities Plan.

Motion by Ziprick, seconded by Christman and unanimously carried to approve the Master Facilities Plan.

CC-2004-133 – Consent Calendar

Motion by Ziprick, seconded by Christman and unanimously carried to approve the following items:

The Demands Register dated October 12, 2004 with commercial demands totaling \$508,207.80.

The Demands Register dated October 13, 2004 with commercial demands totaling \$725.00.

The Demands Register dated October 26, 2004 with commercial demands totaling \$423,023.62 and payroll demands totaling \$187,434.16.

The Minutes of October 12 as presented.

The Quarterly Chamber of Commerce report for filing and disbursement of funds pursuant to Agreement with the City.

The September 2004 Treasurer's Report for filing.

The September 2004 Department of Public Safety Stats Report for filing.

Award of contract for installation of water and sewer lines on Ohio Street to Mladen Grbavac Construction Company, Arcadia for \$151,060; a contingency allocation of \$14,995; award of contract for construction inspection and materials testing to Cal West Consultants in an amount not to exceed \$5,000 and a supplemental appropriation of \$62,000 for the Water Acquisition Fund.

Award of contract for installation of water lines on Benton Street, La Mar Road, Taylor Street and Lawton Avenue to David T. Wasden, Inc., Riverside for \$335,845; a contingency allocation of \$33,190; award of contract for construction inspection and materials testing to Cal West Consultants in an amount not to exceed \$28,245.

The Sewer Line Rehabilitation by Cured in Place Pipe Method by Insituform Technologies, Inc. as complete and authorized recordation of a Notice of Completion.

Council Bill #R-2004-51.

Resolution No. 2359

A Resolution of the City Council of the City of Loma Linda, County of San Bernardino, California, initiating proceedings for the annexation of territory to the Loma Linda Landscape Maintenance District No. 1, as Annexation No. 64, Tract No. 16382, determining that these proceedings shall be taken pursuant to the Landscaping and Lighting Act of 1972 and the Right to Vote on Taxes Act, preliminarily approving the Engineer's Report, and declaring the City's intention to order the annexation, and offering a time and place for hearing objections thereto

Awarded a contract to Albert Grover & Associates in an amount not to exceed \$9,800 for professional engineering services to provide traffic engineering services on traffic issues at various locations.

New Business

CC-2004-134 – Request from the League of California Cities to support Proposition 1A and oppose Propositions 68 and 70 on the November 2 ballot

Motion by Christman, seconded by Petersen and unanimously carried to support Proposition 1A and to oppose Propositions 68 and 70 on the November 2 ballot.

Reports of Councilmen

Councilman Brauer commented on the proliferation of political signs. He also stated that a number of letters have been received from residents in the Lane and State Street area, and confirmed that each letter is read.

The meeting adjourned at 10:30 p.m.

Approved at the meeting of

City Clerk